

Modern-Day Slavery Profits and Costs

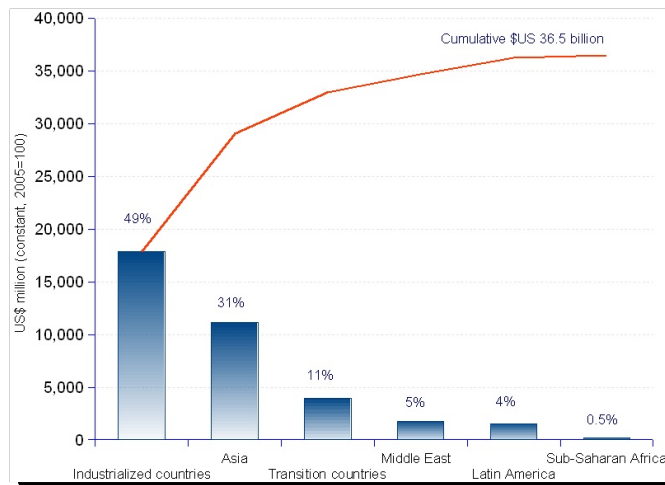
Today's slavery : a US \$36 billion to \$100 billion business

The total illicit profits produced in one year by modern-day slavery are estimated at about US\$ 36.5 billion — ILO (International Labour Office) estimate of 2005 adjusted to inflation. Eighty percent of this profit is made in the industrialized countries and Asia. Other regions that common people readily identify with slavery practices, namely Africa, Middle East, and Latin America, account collectively for a modest share of 9.5%.

It is bitterly ironic that industrialized states, which arrogantly boast the highest civilization grade on earth, so keen on giving lessons to the rest of the world on democracy, human rights and ethics, so adept to try and educate the "least-civilized" nations by resorting if need be to sophisticated killing methods, are also the home of a flourishing and most lucrative exploitation of enslaved fellow human beings. The knack for unrestricted exploitation of other humans seems to be part of the genetic code of the slave traders' lineage.

Globally, slavery profit averages approximately \$15,000 per year for each victim, or \$1,250 per month (weighted averages). Sexual

exploitation is the form of modern slavery that generates the higher profits (82%), other economic exploitation producing the 18% balance of the total profits.



Although impressively high, the \$36.5 billion figure is in ILO's own words a conservative estimate. First, it was calculated in 2005 on the basis of a global number of victims of 12.3 million. At the time, this was qualified as a minimum value, the real number being

probably much bigger — 15 million or above. Meanwhile, ILO improved the research methods and published a new estimate of 20.9 million modern slaves in 2012. This alone would push the profit estimate up to some \$62 billion. Second, ILO's estimates of actual profits per enslaved person were lower than those provided by other informed sources — in one case 40% lower.

We may therefore estimate the real profits generated by the slave business in the brackets of \$36 billion to twice or three times as much per year today. The magnitude of the figure betrays a highly complex business process, but hardly describes the human disgrace and the unspeakable shame that cling to the behavior of those who participate in the process of degrading for a profit other fellow humans to the status of living tools.

Forced laborers cheated of US \$22 billion

The cost for the victims of forced labor coercion has been estimated in 2009 by the ILO at US\$ 22 billion. This loss of income includes \$20.6 billion of underpayment for their work, and \$1.4 billion of unjustified recruitment charges. These values do not include the opportunity costs of the prostitution exploitation

business that affects less people (about one third of forced labor exploitation), but generates much higher turnover (between 2 times more in the industrialized countries, and 27 times more in Sub-Saharan Africa).

Finding ways to use other people's work effort for one's own personal benefit has been an ongoing game in which many respectable citizens engaged throughout history. The western world civilization enhanced the rules of the game to unprecedented heights, by providing both sophisticated legal coercion means to force people into submission, and fallacious rationales to morally justify otherwise unjustifiable practices.

The brutal and unbridled slavery practices of the Renaissance, including slave trading, often implied costly, complex, unclean, unsafe and risky setups, and raised as many problems as the profits they procured to the slave merchants and the colonial planters. The process suffered from inefficiencies, and its rigidity was ill-fitted to the changes in the economy, the political competition, the social

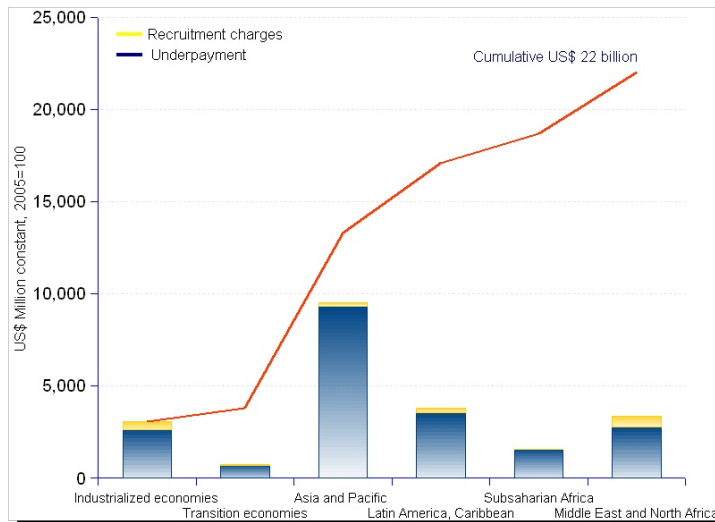
dynamics and the new philosophical ideas that took place during the Modern period of the 17th and 18th centuries. Eventually, it became imperative to change everything about slavery,

in order to keep untouched the exploitation of men by men. The dominant classes were shrewd enough to enlist the services of mercenary cultured lawmen, astute ideologists and creative thinkers to develop arguments to make believe that

slave-trade and slavery itself were things of the past, while making slavery-like practices look right and become acceptable to the society at large, including the victims themselves.

Create vagabonds, then enslave them

The challenge was to reconcile the emerging philosophy of liberty, equality and social cohesion with the imposition on vast masses of workers of prolonged forced labor on the most unfair terms. Since the late 16th century, the English pioneered the process with the "enclosures" movement, by which the landowner aristocracy expropriated the "commoners", those persons who had a right over common land jointly with others, thus depriving them from their subsistence means and throwing in the roads huge armies of jobless and homeless vagabonds, exposed to the harshness of extremely rough work and penal codes. The process was streamlined. Expropriation created vagabonds and penal laws criminalized vagrancy and begging, the



indicted being hanged, forcefully enrolled in the galleys or the army, or deported to the colonies. The work code would enslave the deported by way of the "indentured servant" or "engagé" contracts. In Francis Bacon's words, this kind of emigration provided the double benefit of "the avoidance of people here, and in making use of them there". In William Monson's words, this would entail an economy of executions of thieves and criminals that would become instead the "king's workers" — this, rather than slaves, is how they should be known henceforth — and would have the face and head shaved and the cheek iron-branded, so that everyone could recognize them.

Clash of oppression and rebellion

Things did not run as smoothly as some would have hoped. In England, the expropriated fought back and by the mid-17th century, they organized in the revolutionary party of the "levellers", claiming freedom and the egalitarian sharing of wealth and of social status. Like causes producing like effects, similar events took place in other European states during the 17th century. The clash of oppression and rebellion became a never ending cycle.

The 18th century brought significant developments. The Enlightenment philosophy, with its emphasis on humanistic values, "liberty" (rather than the "liberties" granted by the authority), liberal egalitarianism, the rule of reason, the concept of progress and of social regeneration, provided the yeast for the explicit and definitive condemnation of slavery and of the slave trade by the French radical thinkers Rousseau and Diderot. These ideas were instrumental for the American and the French revolutions of the late century.

Regretfully, both revolutions betrayed the liberation hopes the oppressed had placed in

them. The emerging powers soon restored legal ways of man-by-man exploitation. In America, James Madison and the "Connecticut Wits" sounded the alarm to the "anarchiade", the democratic dreams and the human rights demanded by the "populace", and advocated an elite social structure of slaveholders. Indeed, the 1787 Constitution placed the political power in the hands of the planters class, while restating their rights over their slaves.

Coercion by contract

In France, the pioneering abolition of slavery by the Convention in 1793 was short-lived. Napoleon restored both slavery and the slave trade in 1802. In 1806, in order to keep close control over non-slave workers, Napoleon further imposed the "livret des travailleurs" that should remain in use until 1890, a sort of mandatory worker's passport that kept full record of each move, each job, and each incident in the employment curriculum of the holder, thus allowing the employer to exert full coercion by contract. The worker's survival was the object of blackmail : the worker's mobility could be taken as vagrancy, job changes could be interpreted as trouble-making leanings, empty time slots between jobs might signal clandestine activity, refusal to take a job could mean a criminal breach of contract, all entailing the obvious loss of vital income, and a likely denunciation to law enforcement authorities.

In England too, from the Statute of Labourers of 1351, to the Employees and Workmen Act of 1875, through a string of Master and Servant Acts, the law kept workers under a tight lid. The employee was not given the possibility of defending himself in court in case of litigation, and faced heavy fines and criminal prosecution in case of breach of contract or of its duration.

Coercion by contract has been the rule throughout Europe and in the European colonies. It lasted until the end of the 19th century, when the combined influence of the workers' organizations — the trade-unionist movement and the workers' political parties born under the influence of Proudhon, Marx and other socialist thinkers — on one hand, and on the other hand the technical innovations of the 2nd industrial revolution inducing a progressive decrease of the work time length, made workers believe that the times of forced labor would soon be over their shoulders — at least in the industrialized countries, because forced labor remained an institution in force in the colonies well through the 20th century, although duly ignored or downplayed by the workers of the colonial power themselves.

A century later, we know that, philosophy of liberty and of human rights notwithstanding, forced labor is flourishing again : more than 21 million victims in the world, profits ascending to \$36.5 billion, maybe 2 or 3 times more, direct losses for the workers themselves of at least \$21 billion, not including the victims of commercial sexual exploitation. Nothing seems able to curb this social cancer.

Workfare and other forms of forced labor today


Even worse : advanced and so-called free, democratic states are currently re-discovering the appeal of forced labor. A decade ago, people in France, England, Italy, practically everywhere expressed their outrage by the Chinese state's use of inmates' forced labor to manufacture the goods exported to the rest of the world. That was in a recent past. A few years later, in 2011, the British government passed a set of "workfare" laws allowing employment center managers to subject

people to disguised forced labor, by requiring unemployed people to do a month's work without pay at charities, government offices or supermarket chains. If they do not take part, claimants have their benefits removed for 13 weeks. After a second failure to take part, benefits are removed for six months. Official statistics reveal that from May 2011, when the scheme started, until November, 24,010 job seekers were referred to work unpaid for four weeks, 30 hours a week. Under another "workfare" program, jobless youngsters are being sent to work for supermarkets and budget stores for up to two months without pay and no guarantee of a job. One wonders how come legislators feel entitled to cut benefits that do not belong neither to them nor to the state, benefits that were financed by the lifelong worker's contributions deducted on each pay slip.

The British approach seems so mouth-watering that politicians in other countries, for instance Portugal, Greece, Italy or France, have jumped aboard claiming that jobless should be made to work without pay, or else... Should the policy be adopted at a larger scale, and considering the crowds of unemployed — 16 million workers in Euroland in 2011 —, a vast pool of cheap resources would open to the supermarkets, budget stores and other interested businesses that could use free manpower, without even incurring the expenses of acquisition and maintenance to which the slaveholders of the past were obliged.

The Forced Labour Convention, 1930 (No. 29) defines forced labor as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily". Setting aside the legal quibbling, it is obvious

that some signatory states are violating the Convention by surreptitiously introducing forced labor in our societies. This will carry

consequences, and both the modern-day slave masters and their patrons will have to bear the full burden thereof. 

Profits generated by modern-day slavery Estimated annual average (2005 estimate) (US\$ constant, 2005=100)				
	Profits per forced laborer in commercial sexual exploitation	Profits per forced laborer in other economic exploitation	Total profits (million)	Total profits (%)
Industrialized countries	77,392	34,727	17,866	49.0%
Asia	11,517	474	11,176	30.7%
Transition countries	27,064	2,710	3,941	10.8%
Middle East	51,825	2,695	1,737	4.8%
Latin America	20,960	4,111	1,552	4.3%
Sub-Saharan Africa	11,517	415	183	0.5%
World			36,455	100.0%

Forced Labor Cost of Coercion (2009 estimate)								
	Victims of Forced Labor ¹	Victims of Trafficking ¹	Wage Underpayment		Recruitment Charges		Total Coercion Cost	
	(Number)	(Number)	(US\$ million)	(US\$ million, 2005=100)	(US\$ million)	(US\$ million, 2005=100)	(US\$ million)	(US\$ million, 2005=100)
Industrialized economies	113,000	74,133	2,508	2,637	400	421	2,909	3,058
Transition economies	61,500	59,096	649	682	43	45	691	727
Asia and Pacific	6,181,000	408,969	8,898	9,356	143	150	9,040	9,506
Latin America, Caribbean	995,500	217,470	3,390	3,565	212	223	3,603	3,788
Subsaharian Africa	537,500	112,444	1,494	1,571	17	18	1,511	1,589
Middle East and North Africa	229,000	203,029	2,659	2,796	552	580	3,211	3,376
World	8,117,500	1,075,141	19,598	20,607	1,367	1,437	20,965	22,044

¹ Victims of forced sexual exploitation not included.

Sources :

ILO 2009 Le coût de la coercition, Rapport du Directeur général, International Labour Office (ILO), 2009.

ILO 2012 A Global Alliance Against Forced Labour, International Labour Office (ILO), 2005.

Ref :

http://stats.areppim.com/stats/stats_slaveprofits.htm